

For personal use only



ACN 153 219 848

## NOTICE OF ANNUAL GENERAL MEETING

---

**Venue:** 79 Broadway  
Nedlands, Western Australia, 6009

**Date:** Wednesday, 30 November 2016

**Time:** 11.00 a.m. (WST)

**The Annual Report is now available on the Company's website at [www.newfieldresources.com.au](http://www.newfieldresources.com.au)**

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of Newfield Resources Limited (**Newfield** or **Company**) will be held at:

**Venue:** 79 Broadway  
Nedlands, Western Australia, 6009  
**Date:** Wednesday, 30 November 2016  
**Time:** 11.00 a.m. (WST)

This Notice of Meeting (**Notice**) should be read in conjunction with the accompanying Explanatory Statement.

### Agenda

#### Financial and Other Reports – Year Ended 30 June 2016 (no resolution required)

To receive and consider the Financial Report, the Directors' Report and the Auditor's Report for the financial year ended 30 June 2016.

#### Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution as a **non-binding resolution**:

*"That the Remuneration Report of the Company (as contained in the Directors' Report) for the year ended 30 June 2016 be adopted."*

**Voting Prohibition Statement:** The Company will disregard any votes cast on Resolution 1 by, or on behalf of, the Company's key management personnel (including the Directors), details of whose remuneration are included in the Remuneration Report (**KMP**) or their closely related parties, whether as a securityholder or as a proxy.

However, a vote may be cast on Resolution 1 by a KMP, or a closely related party of a KMP, if:

- the vote is cast as a proxy;
- the voter is appointed as a proxy in writing that specifies the way the proxy is to vote on the resolution; or
- the voter is the chair of the meeting and the appointment of the chair as proxy:
  - does not specify the way the proxy is to vote on this resolution; and
  - expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the KMP of the Company.

#### Resolution 2 – Re-Election of Director – Mr Suryandy Jahja

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr Suryandy Jahja, being a director of the Company who retires by rotation in accordance with clause 13.2 of the Constitution, and who offers himself for re-election, be re-elected as a director of the Company."*

#### Resolution 3 – Ratification of previous issue of 29,000,000 Shares

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 29,000,000 Shares made on 22 and 29 June 2016 on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 3 by, or on behalf of, any person who participated in the issue and any associate of those persons. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### Resolution 4 – Issue of Director Options to Mr Michael Lynn

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,500,000 Director Options, exercisable on or before 30 December 2020 at an exercise price of the higher of \$0.50, and 150% of the five (5) day volume weighted average closing price of the Company's Shares during the five trading days immediately prior to the date of issue (rounded up to the nearest 0.1 of a cent), to Mr Michael Lynn (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 4 by Mr Michael Lynn (or his nominee) and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the KMP; or
  - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the KMP.

#### Resolution 5 – Issue of Director Options to Mr Anthony Ho

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Director Options, exercisable on or before 30 December 2020 at an exercise price of the higher of \$0.50, and 150% of the five (5) day volume weighted average closing price of the Company's Shares during the five trading days immediately prior to the date of issue (rounded up to the nearest 0.1 of a cent), to Mr Anthony Ho (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 5 by Mr Anthony Ho (or his nominee) and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## NOTICE OF ANNUAL GENERAL MEETING

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the KMP; or
  - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the KMP.

### Resolution 6 – Issue of Director Options to Mr Suryandy Jahja

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 500,000 Director Options, exercisable on or before 30 December 2020 at an exercise price of the higher of \$0.50, and 150% of the five (5) day volume weighted average closing price of the Company's Shares during the five trading days immediately prior to the date of issue (rounded up to the nearest 0.1 of a cent), to Mr Suryandy Jahja (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 6 by Mr Suryandy Jahja (or his nominee) and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Voting Prohibition Statement:** A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the KMP; or
  - (ii) a closely related party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the KMP.

### Resolution 7 – Issue of 3,500,000 Employee Options to Employees and Consultant

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 3,500,000 Employee Options, exercisable on or before 30 December 2020 at an exercise price of the higher of \$0.50, and 150% of the five (5) day volume weighted average closing price of the Company's Shares during the five trading days immediately prior to the date of issue (rounded up to the nearest 0.1 of a cent), to the parties, for the purposes and on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion Statement:** The Company will disregard any votes cast on Resolution 7 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the

resolution is passed, and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by a person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### Resolution 8 – Section 195 Approval

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That for the purposes of section 195(4) of the Corporations Act and for all other purposes, Shareholders approve and authorise the Directors to complete the transactions as contemplated in Resolutions 4, 5 and 6 of this Notice."*

## Explanatory Statement

The Explanatory Statement accompanying this Notice is incorporated in and comprises part of this Notice. Shareholders are referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used both in this Notice and the Explanatory Statement.

## Proxies

Please note that:

- A member of the Company entitled to attend and vote at the General Meeting is entitled to appoint not more than two proxies to attend and vote on behalf of the member.
- A proxy need not be a member of the Company. A proxy may also be appointed by reference to an office held by the proxy (e.g. "the Company Secretary").
- Where more than one proxy is appointed, each proxy may be appointed to represent a specified proportion of the member's voting rights. If no such proportion is specified, each proxy may exercise half of the member's votes.

To be valid, the appointment of a proxy must be received at least 48 hours prior to the Meeting. The enclosed proxy form provides further details on appointing proxies and lodging proxy forms.

## Voting Entitlements

For the purposes of section 1074E(2) of the Corporations Act 2001 and regulation 7.11.37 of the Corporations Regulations 2001, the Company has determined that members holding ordinary shares as set out in the Company's share register 48 hours before the meeting will be entitled to attend and vote at the Annual General Meeting.

## Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

**BY ORDER OF THE BOARD**

**Kim Hogg**  
**Company Secretary**  
27 October 2016

This Explanatory Statement is intended to provide Shareholders with material information to enable them to make an informed decision on the business to be conducted at the Annual General Meeting of Newfield Resources Limited (**Newfield** or **Company**).

The directors recommend Shareholders read this Explanatory Statement before making any decision in relation to the resolutions.

**FINANCIAL STATEMENTS AND REPORTS**

Under the Corporations Act, the Directors must table the Financial Report, the Directors' Report and the Auditor's Report for Newfield Resources Limited for the year ended 30 June 2016 at the meeting.

No vote is required to be held on this item. Shareholders will be given the opportunity to ask questions and make comments on the Financial Report of the Company and the Directors' Report and the Auditor's Report of the Company for the financial year ended 30 June 2016 and the management and performance of the Company.

**RESOLUTION 1 – REMUNERATION REPORT**

A resolution for adoption of the Remuneration Report is required to be considered and voted on in accordance with the Corporations Act.

The Remuneration Report sets out the policy for the remuneration of Directors and executives of the Company and is set out on pages 30 to 33 of the 2016 Annual Report which is available on the Company's website, [www.newfieldresources.com.au](http://www.newfieldresources.com.au).

The vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Directors will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Board recommendation

The Board recommends that Shareholders vote in favour of this resolution.

**RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR SURYANDY JAHJA**

Clause 13.2 of the Constitution requires that at the Annual General Meeting, one third of the Directors must retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

Mr Jahja retires by rotation and seeks re-election.

Mr Jahja is currently the Managing Director of PT Kresna Graha Investama Tbk ("Kresna"), a leading stockbroking and investment company based in Jakarta, Indonesia. In this role, he acts as head of Kresna's investment banking division. He co-founded Kresna in 1999 and was responsible for the establishment of the Kresna Asset Management Unit. Mr Jahja is a graduate of the University of NSW with first class honours in Computer Engineering and also holds a post graduate degree in Management and Information Technology.

Directors' Recommendation

The Board (other than Mr Jahja) recommends Shareholders vote in favour of this resolution.

**RESOLUTION 3 – RATIFICATION OF PREVIOUS ISSUE OF 29,000,000 SHARES**

**Background**

On 26 May 2016, the Company entered into an underwriting agreement with Townshend Capital Pty Ltd (**Underwriter**) to underwrite the Company's 29,000,000 unlisted options, which

were exercisable at \$0.30 each on or before 15 June 2016 (**Option Underwriting Agreement**).

On 16 June 2016, the Company announced that the 29,000,000 unlisted options had expired. Pursuant to the Option Underwriting Agreement, the Company notified the Underwriter of the shortfall and subsequently, the Company issued 29,000,000 Shares at an issue price of \$0.30 per share to the nominees of the Underwriter in accordance with the Option Underwriting Agreement.

**General**

Resolution 3 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of 29,000,000 Shares to the nominees of the Underwriter of the expired Options.

Listing Rule 7.4 enables shareholders of a company to ratify an issue of securities that was made without shareholder approval under Listing Rule 7.1 or under an exception to Listing Rule 7.1, and which otherwise did not breach Listing Rule 7.1.

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

By ratifying the issue of the 29,000,000 Shares, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

For the purposes of Listing Rule 7.5, the following information is provided:

- (a) a total of 29,000,000 Shares were issued;
- (b) the Shares were issued at a price of \$0.30 each;
- (c) the Shares issued were ordinary fully paid shares and rank equally in all respects with the existing ordinary fully paid shares issued in the capital of the Company;
- (d) the Shares were issued to the nominees of the Underwriter of the expired Options, none of whom is a related party of the Company; and
- (e) a total of \$8.7 million was raised through the issue of the Shares pursuant to the Option Underwriting Agreement. The funds raised will go towards the ongoing development of the Company's Allotropes diamond project in Sierra Leone and to augment working capital.

Board recommendation

The Board believes that refreshing the Company's ability to issue Shares within the 15% limit is in the best interests of the Company, thereby maintaining its flexibility to make placements of securities without seeking shareholder approval if the need or opportunity arises. Accordingly, the Board recommends Shareholders vote in favour of this resolution.

**RESOLUTIONS 4 TO 6 – APPROVAL TO ISSUE DIRECTOR OPTIONS**

**General**

Resolutions 4, 5 and 6 seek Shareholder approval in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act to issue a total of 2,500,000 Options (**Director Options**) to Messrs Michael Lynn, Anthony Ho and Suryandy Jahja (**Related Parties**) (or their nominees) as follows:

Director	Number of Director Options
Mr Michael Lynn	1,500,000
Mr Anthony Ho	500,000
Mr Suryandy Jahja	500,000
<b>Total</b>	<b>2,500,000</b>

The Company considers the issue of Director Options to be reasonable, given the necessity to attract and retain high calibre

## EXPLANATORY STATEMENT

professionals to the Company whilst maintaining the Company's cash reserves. The issue of Director Options is also intended to encourage the recipients' continued involvement in the achievement of the Company's objectives and thereby its success.

It is not considered that there is any significant opportunity cost to the Company or benefits forgone by the Company in issuing the Director Options upon the terms proposed.

### Requirement for Shareholder Approval

Shareholder approval is required under Listing Rule 10.11 and section 208 of the Corporations Act because the issue of Director Options constitutes the giving of a financial benefit and Messrs Lynn, Ho and Jahja are related parties of the Company by virtue of their being Directors.

Listing Rule 10.11 requires shareholder approval to be obtained for the issue of securities to a related party of the Company, unless an exception in Listing Rule 10.12 applies.

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a related party of the public company unless either:

- the giving of the financial benefit falls within one of the nominated exceptions to the provision (set out in sections 210 to 216); or
- prior shareholder approval is obtained to the giving of the financial benefit (in accordance with sections 217 to 227).

It is the view of the Directors that the exceptions under Chapter 2E of the Corporations Act and Listing Rule 10.12 may not apply in the current circumstances. Accordingly, Shareholder approval pursuant to Chapter 2E of the Corporations Act and Listing Rule 10.11 is required for the issue of options to Messrs Lynn, Ho and Jahja (or their nominees).

### Specific information required by Listing Rule 10.13 and section 219 of the Corporations Act

Pursuant to and in accordance with the requirements of section 219 of the Corporations Act and Listing Rule 10.13, the following information is provided in relation to the proposed issue of the Director Options:

- the related parties are Messrs Lynn, Ho and Jahja and they are related parties by virtue of being Directors of the Company;
- a total of 2,500,000 Director Options will be issued to the Related Parties (or their nominees) as follows:

Director	Number of Director Options
Mr Michael Lynn	1,500,000
Mr Anthony Ho	500,000
Mr Suryandy Jahja	500,000
<b>Total</b>	<b>2,500,000</b>

- each Director Option will be granted for nil consideration. Each Director Option entitles the holder to subscribe for one (1) Share at an exercise price of the higher of \$0.50, and 150% of the five (5) day volume weighted average closing price of the Company's Shares during the five trading days immediately prior to the date of issue (rounded up to the nearest 0.1 of a cent), and is exercisable on or before 30 December 2020;
- the Director Options will be granted to the Related Parties no later than one (1) month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow) and it is anticipated that the Director Options will be issued on one date;
- the Director Options will not be quoted on ASX and are transferable. Further terms and conditions of the Director Options are set out in Schedule 1;
- it is a requirement of ASIC that a value be placed on the Director Options to be issued. The estimated value of the

Director Options and the valuation methodology is set out in Schedule 2;

- the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Director	Shares
Mr Michael Lynn <sup>1</sup>	300,000
Mr Anthony Ho	-
Mr Suryandy Jahja <sup>2</sup>	250,000

- Mr Lynn was appointed as a Director on 24 August 2015;
- Mr Jahja was appointed as a Director on 6 August 2015.

- the remuneration and benefits of each Director received from the Company for the previous financial year, and the proposed remuneration and benefits for the current financial year (*excluding* the valuation of the Director Options) are set out below:

Director	Current Financial Year	Previous Financial Year
Mr Michael Lynn <sup>1</sup>	\$215,000	\$188,806
Mr Anthony Ho	\$109,500	\$96,118
Mr Suryandy Jahja <sup>2</sup>	\$24,000	\$21,677

- Mr Lynn was appointed as a Director on 24 August 2015
- Mr Jahja was appointed as a Director on 6 August 2015

- if the Director Options issued to the Related Parties are subsequently exercised, a total of 2,500,000 Shares would be issued. This would increase the number of Shares on issue from 225,583,335 to 228,083,335 (based on the number of Shares on issue at the date of this Notice of Meeting) with the effect that the shareholdings of existing Shareholders would be diluted by approximately 1.1%;
- the market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company;
- the following table gives details of the highest, lowest and latest price of the Company's Shares trading on the ASX during 2016 prior to the date of this Notice:

	Price	Date
Highest	\$0.88	02 November 2015
Lowest	\$0.25	05 September 2016
Latest	\$0.28	21 October 2016

- each Director has an interest in the Resolutions under which Director Options will be issued and therefore believe it would be inappropriate to make a recommendation;
- voting exclusion statements have been included for each Resolution; and
- other than the information above and otherwise in this Explanatory Statement, the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to decide whether it is in the best interests of the Company to pass Resolutions 4, 5 and 6.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties, as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties (or their respective nominees) will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

## EXPLANATORY STATEMENT

### RESOLUTION 7 – APPROVAL TO ISSUE 3,500,000 EMPLOYEE OPTIONS TO EMPLOYEES AND CONSULTANT

#### General

Resolution 7 seeks Shareholder approval in accordance with Listing Rule 7.1 to issue a total of 3,500,000 Employee Options to the following parties (or their respective nominees):

Employee/Consultant	Number of Employee Options
Mr Renato Spaggiari – <i>Chief Geologist</i>	1,000,000
Mr Benjamin Young – <i>Corporate Advisor</i>	500,000
Other senior personnel	2,000,000
<b>Total</b>	<b>3,500,000</b>

The Board considers the issue of Employee Options to employees and the consultant is a cost-effective incentive that provides motivation and promotes Company ownership and loyalty. The Company is committed to remunerating its senior executives and key advisors in a manner that is market competitive and consistent with best practice, in addition to supporting the interests of Shareholders.

Given the current stage of development of the Company, the Board considers the issue of Employee Options will encourage the recipients' continued involvement in the achievement of the Company's objectives, thereby improving Company performance.

The effect of Resolution 7 will be to allow the Company to issue the Employee Options to the employees and consultant during the period of three (3) months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow) without utilising the Company's 15% annual placement capacity.

#### Listing Rule requirements

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

By approving the issue of 3,500,000 Employee Options, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

Pursuant to and in accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of Employee Options:

- the maximum number of Employee Options to be issued is 3,500,000;
- the Employee Options will be issued no later than three (3) months after the date of the Meeting (or such longer period of time as ASX may in its discretion allow) and it is anticipated that the Employee Options will be allotted progressively;
- each Employee Option will be issued for nil consideration;
- the Employee Options will be issued to employees and a consultant of the Company as follows:

Employee/Consultant	Number of Employee Options
Mr Renato Spaggiari – <i>Chief Geologist</i>	1,000,000
Mr Benjamin Young – <i>Corporate Advisor</i>	500,000
Other senior personnel	2,000,000
<b>Total</b>	<b>3,500,000</b>

Senior personnel will be nominated by Mr Michael Lynn (Executive Director) and the Board, in its discretion, will determine the issue of Employee Options to each nominated employee, with a cap of 200,000 Employee Options per employee;

- the Employee Options will not be quoted on ASX and are transferable. Further terms and conditions of the Employee Options are set out in Schedule 3;
- no funds will be raised from the issue of the Employee Options; and
- a voting exclusion statement has been included under Resolution 7 in the Notice of Meeting.

#### Board recommendation

The Board recommends Shareholders vote in favour of this resolution.

### RESOLUTION 8 – SECTION 195 APPROVAL

Section 195 of the Corporations Act essentially provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered.

Each of the Directors has a material personal interest in the outcome of Resolutions 4, 5 and 6. In the absence of this Resolution 8, the Directors may not be able to form a quorum at a directors' meeting necessary to carry out the terms of Resolutions 4 to 6.

The Directors have accordingly exercised their right under section 195(4) of the Corporations Act to put the issue to Shareholders to decide upon.

## GLOSSARY

**\$** means an Australian dollar, unless specified otherwise.

**Annual General Meeting** means the annual general meeting the subject of this Notice.

**ASX** means ASX Limited (ACN 008 624 691) and where the context permits the Australian Securities Exchange operated by ASX Limited.

**Board** means the current board of directors of the Company.

**Company or Newfield** means Newfield Resources Limited (ACN 153 219 848).

**Constitution** means the Company's constitution.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Director** means a Director of the Company and **Directors** means the directors of the Company.

**Director Option** means an option to subscribe for one unissued Share on the terms and conditions set out in Schedule 1.

**Employee Option** means an option to subscribe for one unissued Share on the terms and conditions set out in Schedule 3.

**Explanatory Statement** means this explanatory statement accompanying the Notice of Annual General Meeting.

**Listing Rules** means the official listing rules of ASX.

**Meeting** means the 2016 Annual General Meeting of the Company as convened by this Notice.

**Notice** means the notice of annual general meeting accompanying this Explanatory Statement.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**WST** means Western Standard Time.

SCHEDULE 1 – TERMS OF DIRECTOR OPTIONS

a) **Exercise Price**

Subject to adjustment in accordance with paragraph (i), the exercise price of each Option is the higher of \$0.50, and 150% of the five (5) day volume weighted average closing price of the Company's Shares during the five trading days immediately prior to the date of issue (rounded up to the nearest 0.1 of a cent) (**Exercise Price**).

b) **Entitlement**

Each Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company upon valid exercise of the Option.

c) **Option Period**

The Options will expire at 5.00pm WST on 30 December 2020 (**Expiry Date**). Subject to clause (g), Options may be exercised at any time prior to the Expiry Date and Options not so exercised shall automatically expire on the Expiry Date.

d) **Ranking of Share Allotted on Exercise of Option**

Subject to any restriction or escrow arrangements imposed by ASX or voluntarily agreed with the Company, each Share allotted as a result of the exercise of any Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of issue.

e) **Voting**

A registered owner of an Option (**Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Option Holder, a member of the Company.

f) **Transfer of an Option**

Options are transferrable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Options that may be imposed by the ASX or any voluntary restriction agreement applicable to the Options.

g) **Method of Exercise of an Option**

- (i) The Company will provide to each Option Holder a notice that is to be completed when exercising the Options (**Notice of Exercise**). Options may be exercised by the Option Holder by completing the Notice of Exercise and forwarding the same to the Company Secretary to be received prior to the Expiry Date. The Notice of Exercise must state the number of Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Options must be a multiple of 10,000 if only part of the Option Holder's total Options are exercised, or if the total number of Options held by an Option Holder is less than 10,000, then the total of all Options held by that Option Holder must be exercised.
- (ii) The Notice of Exercise must be accompanied by payment in full for the relevant number of shares being subscribed.
- (iii) Subject to paragraph (g) (i) above, the exercise of less than all of an Option Holder's Options will not prevent the Option Holder from exercising the whole or any part of the balance of the Option Holder's entitlement under the Option Holder's remaining Options.
- (iv) Within 14 days from the date the Option Holder properly exercises Options held by the Option Holder, the Company shall issue and allot to the Option Holder that number of Shares in the capital of the Company so subscribed for by the Option Holder.
- (v) If the Company is listed on the ASX, the Company will on the date of issue of Shares pursuant to the exercise of an Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
- (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

h) **Unquoted**

The Options will not be quoted on ASX.

i) **Reconstruction**

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

j) **Participation in New Share Issues**

There are no participating rights or entitlements inherent in the Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Expiry Date unless and until the Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least seven (7) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Option Holder an opportunity to exercise the Options held by the Option Holder.

k) **Adjustment for pro-rata issues (except a bonus issue)**

There are no rights to change the exercise price of the Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Option exercise price shall be reduced according to the formula specified in the Listing Rules.

## EXPLANATORY STATEMENT

### SCHEDULE 2 – VALUATION OF DIRECTOR OPTIONS

It is a requirement of ASIC that a value be placed on the Director Options to be issued.

On the basis of the assumptions below, the theoretical value of one Director Option has been determined. The value may go up or down in the future as it will depend on the future price of a Share.

The Black-Scholes option price calculation methodology has been used. This methodology is designed to value listed securities that are freely tradeable and hence it is not entirely appropriate or reliable in this instance. Nevertheless, a value for the Director Options has been estimated using the Black-Scholes method. In determining this value, the following assumptions have been made:

<b>Assumptions</b>	
Valuation date	24 October 2016
Market price of Shares	\$0.28
Exercise price	the higher of \$0.50, and 150% of the five (5) day volume weighted average closing price of the Company's Shares during the five trading days immediately prior to the date of issue (rounded up to the nearest 0.1 of a cent)
Expiry date	30 December 2020 (4 years 3 months)
Risk free interest rate	1.66% (5 year Government Bonds)
Volatility factor	44.3%
Dividend yield	Nil
<b>Theoretical value per Director Option</b>	<b>\$0.0635</b>
<b>Theoretical total value of Director Options</b>	<b>\$158,804</b>

Note: any changes in the variables applied under the Black-Scholes valuation methodology between the date of valuation and the date the Director Options are issued would have an impact on their value.



SCHEDULE 3 – TERMS OF EMPLOYEE OPTIONS

a) **Exercise Price**

Subject to adjustment in accordance with paragraph (i), the exercise price of each Employee Option is the higher of \$0.50, and 150% of the five (5) day volume weighted average closing price of the Company's Shares during the five trading days immediately prior to the date of issue (rounded up to the nearest 0.1 of a cent) (**Exercise Price**).

b) **Entitlement**

Each Employee Option shall entitle the holder the right to subscribe (in cash) for one Share in the capital of the Company upon valid exercise of the Employee Option.

c) **Employee Option Period**

The Employee Options will expire at 5.00pm WST on 30 December 2020 (**Expiry Date**). Employee Options may be exercised at any time prior to the Expiry Date and Employee Options not so exercised shall automatically expire on the Expiry Date.

d) **Ranking of Share Allotted on Exercise of Employee Option**

Subject to any restriction or escrow arrangements imposed by ASX or voluntarily agreed with the Company, each Share allotted as a result of the exercise of an Employee Option will, subject to the Constitution of the Company, rank in all respects pari passu with the existing Shares in the capital of the Company on issue at the date of issue.

e) **Voting**

A registered owner of an Employee Option (**Employee Option Holder**) will not be entitled to attend or vote at any meeting of the members of the Company unless they are, in addition to being an Employee Option Holder, a member of the Company.

f) **Transfer of an Employee Option**

Employee Options are transferrable at any time prior to the Expiry Date. This right is subject to any restrictions on the transfer of Employee Options that may be imposed by the ASX or any voluntary restriction agreement applicable to the Employee Options.

g) **Method of Exercise of an Employee Option**

- (i) The Company will provide to each Employee Option Holder a notice that is to be completed when exercising the Employee Options (**Notice of Exercise**). Employee Options may be exercised by the Employee Option Holder by completing the Notice of Exercise and forwarding the same to the Company Secretary to be received prior to the Expiry Date. The Notice of Exercise must state the number of Employee Options exercised and the consequent number of ordinary shares in the capital of the Company to be allotted; which number of Employee Options must be a multiple of 10,000 if only part of the Employee Option Holder's total Employee Options are exercised, or if the total number of Employee Options held by an Employee Option Holder is less than 10,000, then the total of all Employee Options held by that Employee Option Holder must be exercised.
- (ii) The Notice of Exercise must be accompanied by payment in full for the relevant number of Shares being subscribed.
- (iii) Subject to paragraph (g) (i) above, the exercise of less than all of an Employee Option Holder's Employee Options will not prevent the Employee Option Holder from exercising the whole or any part of the balance of the Employee Option Holder's entitlement under the Employee Option Holder's remaining Employee Options.
- (iv) Within 14 days from the date an Employee Option Holder properly exercises their Employee Options, the Company shall issue and allot to the Employee Option Holder that number of Shares in the capital of the Company so subscribed for by the Employee Option Holder.
- (v) If the Company is listed on the ASX, the Company will on the date of issue of Shares pursuant to the exercise of an Employee Option, apply to the ASX for, and use its best endeavours to obtain, Official Quotation of all such Shares, in accordance with the Corporations Act and the Listing Rules of the ASX.
- (vi) The Company will generally comply with the requirements of the Listing Rules in relation to the timetables imposed when Employee Options are due to expire. Where there shall be any inconsistency between the timetables outlined herein regarding the expiry of the Employee Options and the timetable outlined in the Listing Rules, the timetable outlined in the Listing Rules shall apply.

h) **Unquoted**

The Employee Options will not be quoted on ASX.

i) **Reconstruction**

In the event of a reconstruction (including consolidation, sub-division, reduction or return) of the issued capital of the Company, all rights of the Employee Option Holder will be changed to the extent necessary to comply with the Listing Rules applying to the reconstruction of capital, at the time of the reconstruction.

j) **Participation in New Share Issues**

There are no participating rights or entitlements inherent in the Employee Options to participate in any new issues of capital which may be made or offered by the Company to its shareholders from time to time prior to the Expiry Date unless and until the Employee Options are exercised. The Company will ensure that during the exercise period, the record date for the purposes of determining entitlements to any new such issue, will be at least seven (7) business days after such new issues are announced (or such other date if required under the Listing Rules) in order to afford the Employee Option Holder an opportunity to exercise the Employee Options held by the Employee Option Holder.

k) **Adjustment for pro-rata issues (except a bonus issue)**

There are no rights to change the exercise price of the Employee Options or the number of underlying Shares if there is a bonus issue to the holders of ordinary shares. If the Company makes a pro rata issue of securities (except a bonus issue) to the holders of ordinary shares (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Employee Option exercise price shall be reduced according to the formula specified in the Listing Rules.

**PROXY FORM**

MR SAM SAMPLE  
UNIT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE WA 6060

**STEP 1: Appoint a Proxy to Vote on Your Behalf**

I/We being a member/s of Newfield Resources Limited hereby appoint

the Chairman of the Meeting  
(mark with an 'X')

**OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Newfield Resources Limited to be held at 79 Broadway, Nedlands, WA 6009, on Wednesday, 30 November 2016 commencing at 11:00 a.m. (WST) and at any adjournment of that meeting.

**Chairman authorised to exercise proxies on remuneration-related matters:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 4, 5 and 6 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 4, 5 and 6 are connected directly or indirectly with the remuneration of members of key management personnel of Newfield Resources Limited, which includes the Chairman.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman may change his voting intention on any resolution, in which case an ASX announcement will be made.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote against, or to abstain from voting on Resolutions 1, 4, 5 and 6 by marking the appropriate box in Step 2 below.

**STEP 2: Voting directions to your proxy – please mark  to indicate your directions**

	<u>FOR</u>	<u>AGAINST</u>	<u>ABSTAIN</u>
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-election of Mr Suryandy Jahja as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Ratification of Previous Issue of 29,000,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Director Options to Mr Michael Lynn	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Director Options to Mr Anthony Ho	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Director Options to Mr Suryandy Jahja	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Employee Options to Employees and Consultant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**PLEASE NOTE:** If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority.

**STEP 3: Signature of Securityholder(s)**

*Please sign here*

*THIS SECTION MUST BE SIGNED IN ACCORDANCE WITH THE INSTRUCTIONS OVERLEAF TO ENABLE YOUR DIRECTIONS TO BE IMPLEMENTED.*

Individual or Securityholder 1

Individual/ Sole Director and  
Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/ Company Secretary

Contact Name

Contact Daytime Telephone

For personal use only

## HOW TO COMPLETE THE PROXY FORM

### 1. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting, please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the Company.

If you have appointed a company as your proxy and a representative of that company wishes to attend the meeting, the representative will be required to provide the Company with the appropriate written documentation evidencing that the person is a representative of the proxy. Should you require it, the Company will provide you with a corporate representative form free of charge. Please contact the Company Secretary if you require a corporate representative form.

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote for in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies, you must specify the percentage of votes or numbers of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Section 1.

### 2. Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with your directions. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### 3. Signing Instructions

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

### Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the Company's registered office or at the address given below no later than 48 hours before the commencement of the meeting. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged by post or facsimile to Newfield Resources Limited:-

PO Box 3438  
Nedlands WA 6909

Fax: (61-8) 6389 2588